

Part B Insider (Multispecialty) Coding Alert

ANESTHESIA: A 32-Percent Pay Hike Could Be Coming Your Way

GAO comes down on anesthesiologists- side

Anesthesiologists, rejoice. The **Government Accountability Office** (GAO) feels your pain.

The GAO, usually one of the first agencies to suggest slashing reimbursement, actually came out with a report (GAO-07-463) which says that Medicare underpays for anesthesia services. The GAO says Medicare's anesthesia rates were 67 percent lower than what private insurance paid in 2004.

By contrast, Medicare pays around 87 percent of market rates for most services, according to the **American Association of Nurse Anesthetists** (AANA).

The GAO also found that the more Medicare patients in a region, the fewer anesthesiologists practice there. By contrast, areas with a lot of Medicare beneficiaries had more Certified Registered Nurse Anesthetists (CRNAs), the GAO said. But when Medicare rates get too low, even the proportion of CRNAs starts to drop off.

-While the cost effective and high quality services of CRNAs have made it possible to meet the needs of seniors, such low reimbursements are not sustainable,- insisted AANA president **Wanda Wilson** in a release.

Help could be on the way: CMS has proposed to boost the base units for anesthesia by nearly \$4.00 per unit in the 2008 fee schedule. (See The Insider, Vol. 8, No. 19.) Literally hundreds of anesthesiologists wrote to CMS in support of this move, saying CMS has undervalued anesthesia services since the agency started using Relative Value Units. Currently, CMS still pays only \$16.19 per unit of anesthesia--the same rock-bottom rate it's used for years, anesthesiologists say.

-I am grateful that CMS has recognized the gross undervaluation of anesthesia services,- says a form letter which the anesthesiologists sent to the agency. Unless CMS acts, many patients won't have any access to anesthesia care.

-Over the last several years, we have seen the loss of 12 physicians from our group,- wrote **Robert Forte**, an anesthesiologist with **Associated Anesthesiologists of Fort Wayne**. -Due to lack of income and increasing workloads we were forced to restrict the services we could offer to our hospital.-

One physician put it even more bluntly: -We can not continue to work for free,- wrote anesthesiologist **Eric Church**. -We have to feed our families.-